

# **FISCAL MEMORANDUM**

## **HB 3725 – SB 3946**

March 10, 2008

**SUMMARY OF AMENDMENT (014361):** Adds language to the original bill requiring that when funds allocated to the Tennessee Advisory Commission on Intergovernmental Relations (TACIR) falls below 20 percent of the total of such Tennessee Valley Authority (TVA) impact funds, counties must allocate the shortfall in funds.

### **FISCAL IMPACT OF ORIGINAL BILL:**

Other Fiscal Impact - If impact funds allocated to the University of Tennessee for operating the County Technical Assistance Service will not be maintained at the same level, counties must make up the difference and county revenue will decrease. The CTAS appropriation for FY07-08 is \$1,928,078.84, thus the maximum shift in funds from counties to CTAS is \$1,928,078.84.

### **FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Other Fiscal Impact - If impact funds allocated to the County Technical Assistance Service (CTAS) and Tennessee Advisory Commission on Intergovernmental Relations (TACIR) will not be maintained at the same levels, counties must make up the difference and county revenue will decrease. The CTAS appropriation for FY07-08 is approximately \$1,928,100, and the TACIR appropriation for FY07-08 is approximately \$2,570,800. Therefore, the maximum shift in funds from counties to CTAS and TACIR is approximately \$4,498,900.**

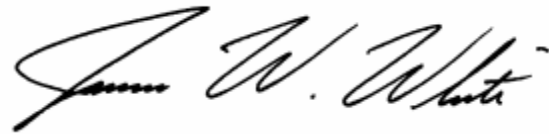
Assumptions applied to amendment:

- Under the 2007-2008 Tennessee Revenue Sharing Act, TVA will make a payment of \$269,435,569 for FY07-08. Forty-eight and a half percent of this payment is allocated to state government, 48.5 percent is allocated to local governments, and three percent is allocated as TVA impact funds.

- TVA impact funds are first designated to TVA designated impact areas, then to CTAS, then to the Tennessee Advisory Commission on Intergovernmental Relations (TACIR), and then to the Four Lakes Regional Development Authority. When a shortfall in impact funds occurs counties will allocate a portion of their 48.5 percent to CTAS and TACIR.
- According to the Comptroller, the FY07-08 allocation to CTAS is approximately \$1,928,100 and the FY07-08 allocation to TACIR is approximately \$2,570,800.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible.

James W. White, Executive Director

/rnc